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AN ACT

RELATING TO ECONOMIC DEVELOPMENT; PROVIDING THAT CERTAIN URGENT
ECONOMIC DEVELOPMENT PROJECTS MAY BE FUNDED PURSUANT TO THE NEW
MEXICO FINANCE AUTHORITY ACT WITHOUT PRIOR LEGISLATIVE
AUTHORIZATION.

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 6-21-1 NMSA 1978 (being Laws 1992, Chapter 61, Section
1) is amended to read:

"6-21-1. SHORT TITLE.-- Chapter 6, Article 21 NMSA 1978 may be cited as
the "New Mexico Finance Authority Act"."

Section 2. Section 6-21-8 NMSA 1978 (being Laws 1992, Chapter 61, Section
8, as amended) is amended to read:

"6-21-8. PUBLIC PROJECT FINANCE PROGRAM--LOANS--PURCHASE OR
SALE OF SECURITIES.--To implement a program to assist qualified entities in
financing public projects, the authority has the powers specified in this section;
provided that the authority shall take no action concerning a project financed with
money in the public project revolving fund unless the project is specifically authorized
by law or authorized pursuant to other provisions of the New Mexico Finance Authority
Act. The authority may:

A. make loans to qualified entities that establish one or more
dedicated sources of revenue to repay the loan from the authority;

B. make, enter into and enforce all contracts necessary, convenient or
desirable for the purposes of the authority or pertaining to:

- (1) a loan to a qualified entity;
- (2) a grant to a qualified entity from money available to the
authority except money in the public project revolving fund;
- (3) a purchase or sale of securities individually or on a pooled
basis; or

1 (4) the performance of its duties and execution of its powers S
2 under the New Mexico Finance Authority Act; J
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4 C. purchase or hold securities at prices and in a manner the authority /
5 considers advisable, giving due consideration to the financial capability of the qualified S
6 entity, and sell securities acquired or held by it at prices without relation to cost and in B
7 a manner the authority considers advisable; 4
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9 D. prescribe the form of application or procedure required of a 9
10 qualified entity for a loan or purchase of its securities, fix the terms and conditions of P
11 the loan or purchase and enter into agreements with qualified entities with respect to a
12 loans or purchases; e
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14 E. charge for its costs and services in review or consideration of a
15 proposed loan to a qualified entity or purchase by the authority of securities, whether
16 or not the loan is made or the securities purchased;
17 F. fix and establish terms and provisions with respect to:
18 (1) a purchase of securities by the authority, including date
19 and maturities of the securities;
20 (2) redemption or payment before maturity; and
21 (3) any other matters that in connection with the purchase are
22 necessary, desirable or advisable in the judgment of the authority;
23 G. to the extent permitted under its contracts with the holders of bonds
24 of the authority, consent to modification of the rate of interest, time and payment of
25 installment of principal or interest, security or any other term of a bond, contract or
agreement of any kind to which the authority is a party;
H. in connection with the purchase of any securities, consider the
ability of the qualified entity to secure financing from other sources and the costs of
that financing and the particular public project or purpose to be financed or refinanced
with the proceeds of the securities to be purchased by the authority;
I. acquire fee simple, leasehold, mortgagor's or mortgagee's interests
in real and personal property and to sell, mortgage, convey or lease that property for

1 authority purposes; and

2 J. in the event of default by a qualified entity, enforce its rights by suit
3 or mandamus or may use all other available remedies under state law."

4 Section 3. A new section of the New Mexico Finance Authority Act is enacted
5 to read:

6 "AUTHORIZATION FOR URGENT ECONOMIC DEVELOPMENT PUBLIC
7 PROJECTS.--

8 A. The authority may make loans to a qualified entity, pursuant to the
9 provisions of the New Mexico Finance Authority Act, from the public project revolving
10 fund for public projects designated as urgent economic development public projects
11 pursuant to Subsection B of this section without the specific authorization by law
12 otherwise required by Sections 6-21-6 and 6-21-8 NMSA 1978.

13 B. The authority may designate an urgent economic development
14 public project and provide urgent economic development financing to a qualified entity
15 if the secretary of economic development provides documents to the authority
16 certifying the need for the financing and:

17 (1) describing a substantial favorable economic impact and
18 benefit to the qualified entity;

19 (2) demonstrating the urgent nature of the economic
20 development public project because of the likelihood that a new business may choose
21 another location outside of the state or an existing business may be unable to expand
22 in a timely fashion without receipt of the urgent economic development financing;

23 (3) including evidence from the business detailing the new or
24 expanded business opportunity and describing the jobs to be provided and the
25 urgency of the public project; and

(4) including a resolution adopted by the governing body of the
qualified entity approving the project and requesting the urgent economic
development financing.

C. After review of the documents submitted by the secretary of

1 economic development, the authority may provide urgent economic development
2 financing to the qualified entity if the authority finds that the timing of the project is so
3 urgent that the economic development benefit to the qualified entity will be lost if the
4 funding decision is delayed until specific authorization of the public project can be
5 obtained from the legislature.

6 D. Before urgent economic development financing is made available
7 pursuant to this section, the authority shall adopt rules governing the process for
8 reviewing urgent economic development projects and the submission of certification
9 requests. The rules shall be subject to approval of the New Mexico finance authority
oversight committee.

10 E. No urgent economic development project approved pursuant to this
11 section shall receive financing in an amount exceeding two million dollars
12 (\$2,000,000), and the total amount of urgent economic development financing
13 provided by the authority pursuant to the provisions of this section in any fiscal year
shall not exceed twenty million dollars (\$20,000,000)."

14 Section 4. DELAYED REPEAL.--The provisions of Section 3 of this act are
15 repealed effective June 30, 2006.

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